

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of

**Petition of the Connecticut Department)
of Public Utility Control for Delegated Authority)
to Implement Transitional Service Specific and)
Technology Specific Overlays)**

CC Docket No. 99-200

**COMMENTS
OF
ONSTAR CORPORATION**

OnStar Corporation hereby submits these comments in response to the Commission's Public Notice released February 6, 2002 in the above captioned matter.

Background

OnStar, a wholly owned subsidiary of General Motors Corporation, provides telematics services to the owners of vehicles manufactured by General Motors (Chevrolet, Pontiac, Oldsmobile, Buick, Cadillac, GMC, Saturn, and SAAB) and other automotive manufacturers including Lexus (manufactured by Toyota) and Acura (manufactured by Honda). Subaru, Hummer and Audi (manufactured by Volkswagen) also have

announced selected future product programs will offer OnStar. As of January 2002, OnStar was the largest provider of such services with approximately 2.0 million subscribers.

OnStar's telematics system combines cellular communications with GPS and is integrated into the electrical architecture of the vehicle. This allows the provision of services that are interactive with the vehicle such as automatic crash notification (ACN), remote diagnostics, stolen vehicle location and remote door unlock as well as call center based services such as navigation and point of interest routing and, in more recent generations of OnStar hardware, hands-free, voice activated, prepaid, wireless cellular service. The first year of OnStar service may be included in the price of the vehicle, however, as an "opt-in" service, a separate subscriber agreement is required.

Connecticut's Petition Fails to Comply with Commission Requirements

In its *Third Report and Order* in this matter the Commission set out criteria to guide states in what showings and information would be required for the Commission to consider a petition for delegation of authority to implement service and technology specific numbering overlays.¹ In its filings, the Connecticut Department of Public Utility Control appears to have not yet provided the detail required by the Commission. As a consequence, OnStar believes that the Commission should withhold action until the Department's petition is further amended to provide the information requested by the Commission.

¹ See *Third Report and Order and Second Order on Reconsideration*, CC Docket No. 96-98 and CC Docket No. 99-200 at Paragraph 81.

OnStar's Service Offering Has Expanded To Include OnStar Personal Calling

The *Second Further Notice of Proposed Rulemaking* dated December 29, 2000, in this matter suggested in Paragraph 142 and footnote 350 that OnStar is only a call center based service. This implication was repeated subsequently.² While true for early generations of hardware design, OnStar's recent hardware designs include the ability to access both call center services and - under the brand name OnStar Personal Calling™ - conventional cellular service.

Currently, OnStar offers customers a choice among three different option packages: Safe and Sound™, Directions and Connections™, and Luxury and Leisure™. All three option packages include OnStar Personal Calling as a standard feature with 30 minutes of free calling good for 2 months after subscribing to OnStar.³ In 2001, approximately 99% of OnStar systems produced included OnStar Personal Calling capability.

OnStar Personal Calling Complements Traditional CMRS and is Necessarily Geographically Sensitive

OnStar Personal Calling ("OPC") allows customers to make prepaid, hands-free, voice activated telephone calls as well as receive calls in their vehicles. This service offering complements traditional cellular/PCS calling by offering an in-vehicle calling alternative that minimizes driver distraction associated with hand-held phone use.

² See e.g. Id. at Paragraphs 67- 90.

³ OnStar Personal Calling is not available in all markets.

OnStar's OPC customers receive geographically based telephone numbers that are associated with the customer's home or business.

As would be expected of a true complement, this service is geographically sensitive. OnStar's experience with our customers bears out customer sensitivity to area code assignments and to locally-rated land-to-mobile calling. For example, customers often request a specific NPA NXX from the pool of available numbers.

If permanent service overlays were authorized to requesting states, subscribers with OnStar's Personal Calling service would endure the same inconveniences associated with forced area code assignments as other CMRS subscribers. In addition, any take-backs would impose significant costs, customer inconvenience, and a competitive disadvantage *vis-à-vis* the traditional CMRS phone which OnStar complements in the in-vehicle environment and which it therefore competes against.

OnStar Personal Calling Minimizes Distracted Driving

As noted an important feature of the OnStar System in providing all of its telematics services including OnStar Personal Calling is that there is no handset. It is "hands-free" and "voice-activated" so that concerns about driver distraction can be minimized.

In recent months, the public policy concerns about distracted driving have increased. In 2001, there were more than 100 bills in over 40 state legislatures seeking to address concerns about the use of hand-held cell phones in vehicles. On June 28, 2001, New York became the first state to enact a ban on the use of hand-held cell phones while

driving.⁴ In May 2001, bills were introduced in the U.S. Senate and House of Representatives seeking to address the issue. To date in 2002, over 150 bills have been introduced in 39 state legislatures to address concerns related to cell phone use and distracted driving. Among these are bills that would prohibit the use of hand-held phones including hand-held dialing.

OnStar believes there is a clear public interest in avoiding regulatory actions that might have the unintended effect of reducing drivers' options - such as OnStar - to minimize the potential distraction associated with cellular/PCS calling while driving. The exhibited sensitivity of OPC customers to number assignments clearly indicates that treating OnStar Personal Calling differently than traditional, geographically sensitive CMRS would be create such a disincentive to the OnStar Personal Calling option.

OnStar's Implementation Reflects Sound Numbering Policy

When an OnStar equipped vehicle is produced, it is initially loaded with a non-geographically sensitive number⁵. Subsequently, the OnStar Personal Calling equipped vehicle is loaded with a geographically sensitive number only after the vehicle is sold by a dealer to a specific customer and only where OnStar Personal Calling is available.⁶ The numbers are recycled when the service is deactivated. Numbering resources are obtained and recycled in cooperation with Verizon Wireless.

⁴ Some municipalities have passed bans on the use of hand-held phones including for example: Brookline, MA; Santa Fe, NM; and York, PA.

⁵ These non-geographically sensitive numbers are 500 numbers from the WIN4 network.

OnStar Personal Calling Should Be Treated Similarly in Overlay Matters to Traditional Geographically Sensitive CMRS

The *Third Report and Order* appears to promote a presumption that state petitions which seek to permanently segregate OnStar's telematics services from other geographically sensitive CMRS services and possibly even take back numbering resources would be authorized. OnStar believes that there is no basis for discriminating against OnStar Personal Calling or similar services in favor of hand-held units in numbering policy. First, OnStar Personal Calling competes directly against hand-held geographically sensitive CMRS calling in the in-vehicle calling market.⁷ Clearly, the Commission should adhere to its policy of seeking to avoid advantaging one competitor versus another. Second, as an embedded, hands-free, voice-activated system, OnStar reduces distracted driving calling issues compared to traditional hand-held units. As such, OnStar believes the evidence indicates that segregating OnStar Personal Calling from traditional, geographically sensitive CMRS calling would have the perverse effect of reducing the incentive for drivers to avail themselves of technology that reduces driver distraction while calling or receiving calls.

⁶ If a customer opts not to subscribe to OnStar in an area where OPC is available a geographically sensitive number is not loaded into the vehicle.

⁷ This is a significant market. Gartner, Inc. estimates that nearly 50% of all cellular phone calls were placed while driving. Gartner's study also "found that 88% of respondents were 'somewhat concerned' or 'extremely concerned' about people using handheld cellular phones while driving". *Newsbytes* Oct. 1, 2001.

Conclusion

OnStar Personal Calling and similar services are an important in-vehicle complement to traditional, geographically sensitive CMRS calling offering potentially significant advantages in reducing distracted driving. As such, OnStar Personal Calling and similar services are inherently geographically sensitive. OnStar believes that if the Commission deems the Connecticut amended petition sufficient, there is no basis for treating OnStar Personal Calling differently than traditional, geographically sensitive cellular/PCS calling.

Respectfully submitted,

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